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SEP 07 2006

PUBLIC SERVICE  
COMMISSION

**FAX TRANSMISSION SHEET**

DATE: September 7, 2006

RE: South Kentucky Rural Electric Cooperative  
Corporation / Case No. 2006-00402

RECIPIENT: Public Service Commission

FAX NUMBER: 1-502-564-3460

FROM: Darrell L. Saunders

TOTAL NUMBER OF PAGES (INCLUDING COVER): 8

MESSAGE:

**DARRELL L. SAUNDERS, P.S.C.**

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PUBLIC SERVICE  
COMMISSION

September 7, 2006

VIA: FACSIMILE TRANSMISSION AND UPS

Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

RE: South Kentucky Rural Electric Cooperative  
Corporation  
Case No. 2006-00402  
Application for a Certificate of Convenience  
and Necessity

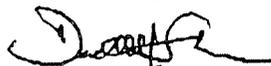
Dear Sir/Madam:

On behalf of South Kentucky Rural Electric Cooperative Corporation, I send for filing an Application for a Certificate of Convenience and Necessity to Construct a District Office and Service Facility in Russell Springs, Kentucky and a District Office and Service Facility in Albany, Kentucky. The Application was originally forwarded to you without my signature. This filing replaces that one (the documents are the same).

I am faxing the six (6) page Application and am sending via overnight mail the same six page Application with my original signature with all exhibits attached thereto. If you retain as a permanent record only the Application with my original signature which, along with the original of this letter, will be sent via overnight mail you will have South Kentucky's entire filing. The original document bearing only Allen Anderson's signature as well as my fax of this letter and the first six pages are duplicates.

Please contact me if I may answer any questions.

Yours truly,



Darrell L. Saunders

DLS: mw  
Enclosure  
cc: Jeff Greer

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

SEP 07 2006

PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF;

APPLICATION OF SOUTH KENTUCKY )  
RURAL ELECTRIC COOPERATIVE )  
CORPORATION FOR A CERTIFICATE OF )  
CONVENIENCE AND NECESSITY TO )  
CONSTRUCT A DISTRICT OFFICE AND )  
SERVICE FACILITY IN RUSSELL )  
SPRINGS, KENTUCKY AND A DISTRICT )  
OFFICE AND SERVICE FACILITY IN )  
ALBANY, KENTUCKY )

CASE NO. 2006-00402

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

SOMERSET, KENTUCKY

**COMMONWEALTH OF KENTUCKY**

**RECEIVED**

**BEFORE THE PUBLIC SERVICE COMMISSION**

**SEP 07 2006**

**In the Matter of the Application )  
Of South Kentucky Rural Electric )  
Cooperative Corporation for an )  
Order Issuing a Certificate of Public )  
Convenience and Necessity )**

**PUBLIC SERVICE  
COMMISSION**

**Case No. 2006-00402**

**APPLICATION**

The petition of South Kentucky Rural Electric Cooperative Corporation ("South Kentucky"), P. O. Box 910, Somerset, Kentucky 42502, designated as Kentucky 54 - Wayne states that it is a corporation with all rights, characteristics, powers, privileges and duties shown by the records now on file in the office of the Public Service Commission ("Commission") of Kentucky, and that it is engaged in the distribution of electric energy in the Counties of Pulaski, Wayne, McCreary, Cumberland, Rockcastle, Case, Russell, Laurel, Clinton and Adair, all in Kentucky and Pickett and Scott Counties in the State of Tennessee, by and under the Rural Electrification Act and under authority contained in Kentucky Revised Statutes, Chapter 279. South Kentucky is proposing to construct two new district offices and service facilities with one in Russell Springs, KY and one in Albany, KY.

In support of its application, South Kentucky is providing the below listed information.

1. South Kentucky's Articles of Incorporation with all Amendments have been previously filed with the Commission in Case No. 96-109 (870 KAR 5:001, Section I(3)).

2. South Kentucky has based its decision to build these new facilities on a Facilities Analysis conducted by the National Rural Electric Cooperative Association ("NRECA"). A copy of that study was submitted to the Commission in Case No. 2005-00261. South Kentucky is requesting that study be incorporated into this application by reference. Copies of documents from that study specific to the proposed facilities for in Russell Springs and Albany are contained in Exhibit 1 to this filing. These specific documents provide the necessary support as to the need for these facilities (807 KAR 5:001, Section 9(2)a).

3. All franchise or permits needed to construct the proposed facility will be acquired by the successful contract bidder (807 KAR 5:001, Section 9(2)b).

4. The rationale for the new buildings and the justification for their construction are contained in Exhibit 2 (807 KAR 5:001, Section 9(2)c).

5. Three (3) maps showing the location of the new construction is contained in Exhibit 3 (807 KAR 5:001, Section 9(2)a).

6. South Kentucky will construct the proposed district offices from general funds until loan funds are available from the United States Department of Agriculture ("USDA") Rural Development Electric Programs ("RDEP"). Loan funds from RDEP will then be used to reimburse general funds and to provide funding to complete the construction of the proposed facilities. Funding from RDEP will be through the

guaranteed Federal Finance Bank with a term of 35 years. A discussion of the planned financing is contained in Exhibit D of this filing (807 KAR 5:001, Section 9(2)e.

7. An estimate of the cost of operating these facilities after completion is contained in Exhibit E (807 KAR 5:001, Section 9(2)f).

8. Additional information proffered to afford the Commission a complete understanding of the situation includes the following (807 KAR 5:001, Section 9(2)g).

a. A description of proposed facilities and the current facilities is contained in Exhibit F.

b. The impact of these facilities on the financial condition of South Kentucky is contained in Exhibit G.

c. The impact of these facilities upon the electric rates of South Kentucky is contained in Exhibit H.

d. The plan for the disposal of the current facilities is contained in Exhibit I of this application.

e. Copies of an external view of the completed buildings along with a copy of the floor diagram are contained in Exhibit J of this application.

Wherefore, South Kentucky Rural Electric Cooperative Corporation in Somerset, KY respectfully petitions this Commission to grant South Kentucky a Certificate of Convenience and Necessity to construct new offices and service facilities at its Russell Springs, KY and Albany, KY locations and all proper orders and relief.

Respectfully submitted,

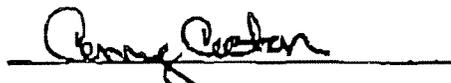
South Kentucky Rural Electric Cooperative Corporation

  
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(606) 523-1370 - phone  
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Allen Anderson  
General Manager & CEO  
South Kentucky Rural Electric Cooperative Corporation  
Somerset, Kentucky 42501

STATE OF KENTUCKY  
SCT)  
COUNTY OF PULASKI

Subscribed and sworn to before me by Alan Anderson, General Manager and C.E.O. of South Kentucky Rural Electric Cooperative Corporation, at Somerset, Kentucky this 5<sup>th</sup> day of September, 2006.

  
NOTARY PUBLIC  
State of Kentucky at Large

My Commission Expires: June 23, 2010

COUNSEL:

Darryl Saunders  
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P.O. Box 1324  
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